

The World Beneath Her Wing

As managing director of the World Bank Group,
Sri Mulyani Indrawati helps guide the global economy

By Amy F. Reiter

Walk into the gleaming headquarters of the World Bank in Washington, D.C., and you know you're not at your hometown lender. First there's security to pass through, then an elevator up. The click of your footsteps interrupts the silence as you traverse an elegant, empty ballroom. When you approach a reception area, assistants wait, poised and ready to guard a corner office.

Beyond its door sits **Sri Mulyani Indrawati**, MS '90 BUS, PHD '92 BUS, managing director of the World Bank Group. On this day, she is positioned at a long table and finishing a task. At the World Bank – the international development institution comprising 187 member countries – approximately one-third of the planet comes under her responsibility, and there are always tasks. She will use her vast professional expertise and Illinois education to enhance the fortunes of the three regions she supervises: Latin America and the Caribbean, the Middle East and North Africa, and East Asia and the Pacific.

Indrawati's role puts her on the world stage during a pivotal time in international affairs. During an interview in February, her mind was on Egypt, where protesters were about to oust Hosni Mubarak. Shortly after, other regions of her territory would face their own defining moments.

"The world is shrinking," Indrawati says. "It's very connected. You can learn from each other much faster now," adding that that education comes from both good and bad choices, and not making the latter kind twice. Helping to advance the policies that work – "this," she says, "is the role of the World Bank."

Indrawati's job is to aid developing countries to further integrate into the world's economy. Funding from the World Bank backs innovative and life-sustaining projects that hold the potential to help these citizens expand their nations' economic stature.

Nearly 20 years after leaving the University of Illinois, the calm woman with the focused gaze has come far from the apartment she shared with her husband, **Tonny Sumartono**, MS '92 BUS, and newborn daughter on the Urbana campus. Indrawati has tackled corrup-

tion in her native Indonesia, brought environmental management concerns to the forefront of international meetings and taken responsibility for many billions of dollars in funding for developing countries.

According to Forbes magazine, Indrawati is a force by herself, frequently landing on the publication's list of the 100 Most Powerful Women. In 2010, The Wall Street Journal called her "the face of the [Indonesian] government's anticorruption battle." Her influence is evidenced by the reaction to last year's announcement that she was leaving her post: The news garnered her more mentions on Twitter that day than pop star Justin Bieber.

Previously, Indrawati had shouldered the economic fortunes of her native country. Now, as managing director of the World Bank Group, she's doing her best to be an Atlas to a larger piece of the world.

Education and inclination

Serene and dignified, Indrawati is petite and tailored, welcoming but not effusive, thoughtful about her words and their potential impact. Often speaking in the second person, she uses professorial-type language like "shaping the framework of thinking" and continually finds answers in her educational experiences. Avoiding fireworks and outsized statements, she has advanced through endurance, strength and intellect. Her guideposts: her schooling, the pursuit of challenges and a deep love of homeland.

It was that love of homeland that drove Indrawati to Illinois. Growing up, she'd seen some of Indonesia's plentiful assets – which include petroleum, coal and fertile soil – plundered for immediate monetary gain. By studying the principles of economics, she wanted to learn wiser and fairer ways to manage natural resources. "Economics," she says, "provides us with a very practical and useful framework of thinking [about a] problem and trying to find a solution."

Indrawati first came to the U of I on a fellowship that would require her to return to Indonesia afterward – not a problem, as she hoped to do so after completing her studies. Although accepted to several schools,

Indrawati – ever the economist – knew she could make her fellowship dollars stretch farther in Urbana-Champaign. In addition, “I am the type of person who likes a much smaller city,” she says. “There is not so much distraction.” Good thing, since in addition to her course load and family, she also worked as a teaching assistant.

The family found a home in the Orchard Downs complex for UI graduate students, where many of their neighbors also were international students. Indrawati remembers her Urbana days and friends fondly, and her professors – especially Jane Leuthold, now a UI professor emerita in economics – as open and helpful.

Leuthold, who served as mentor and supervisor of Indrawati’s doctoral dissertation, remembers her warmly. “She was an industrious student, very well-organized and goal-driven,” Leuthold wrote in an email. “She completed her Ph.D. in only four years, making her the envy of the other Indonesian students.

“I remember that we wished each other goodbye over lunch at the old Urbana Lincoln Hotel. She has accomplished remarkable things since that day.”

But rather than being driven by ambition to succeed, Indrawati says she is energized by how much fun she has learning. “I’m not really obsessed with whether I’m going to be successful or not,” she says. “When I did my master’s and Ph.D., I really enjoyed studying. I didn’t care whether ... [I was] going to get a degree or not.”

In the public eye

In 1992, Indrawati joined the faculty of the University of Indonesia as an economics instructor and



Sri Mulyani Indrawati, at left in top photo, celebrates her 1992 graduation from the University of Illinois with family and friends at the Historic Lincoln Hotel in Urbana. The dinner was arranged by her mentor, UI professor Jane Leuthold, at right above. Indrawati now serves as a managing director of the World Bank.

Photos courtesy of Jane Leuthold

would continue to draw upon her education at Illinois from that point on in her career. Five years later, she found herself thrust into the public eye, thanks to her ongoing analysis of the economic issues surrounding Indonesia’s financial crisis. As an economist, she said, “you become a popular opinion-maker.” In 1999, In-

drawati became an economics adviser in the Indonesian government, a position she would hold for most of the next decade, aside from short detours at the U.S. Agency for International Development and the International Monetary Fund.

Although working in government was never a career goal, Indrawati felt compelled to do her share as her country was becoming more democratic. She presents this rise matter-of-factly, as though any economics profes-

sor could become a national voice on financial policy and management after a few years in academia. It’s hard to know whether she realizes the rarity of her rise – and downplays it out of modesty – or simply thinks that hers is a series of logical next steps.

Nevertheless, she understands the gravity of her actions and policies. “You feel a huge responsibility,” she says, “because whatever you decide is going to be shaping and affecting lives.”

Fighting corruption

In 2005, Indrawati became the nation’s finance minister and focused her efforts on reform, good governance and fighting corruption.

Corruption “hurts people’s trust,” she says. “It also affects our own respectability as public officers. It injured my own self-esteem.”

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A 2009 Newsweek article credited much of Indonesia's success in navigating the economic downturn to Indrawati and her tough stances.

“Over the past four years, [Indrawati] has helped dismantle the financial architecture of the crony capitalism,” the publication wrote, citing her success in reducing public and private debt, paying fair wages to civil servants, and enforcing tax reforms.

Besides rooting out corruption, Indrawati advanced policies that enabled the country to wisely use its natural resources – and to share their bounty among citizens. She introduced environmental management into discussions of Indonesia's financial policy and those of other nations. Viewing climate change as a problem confronting not just individual countries but the world as a whole, she says she was the first to bring financial ministers together to talk about the issue.

As her influence in Indonesian government grew, the accolades came in, including being named Finance Minister of the Year by Euromoney magazine in 2006 and 2008. Although Indrawati was criticized in 2010 for her role in a bank bailout, a Jakarta Post editorial that same year praised her “impeccable track record and accolade as a tough reformist minister. ... That Indonesia survived the global economic crisis could also be attributed to her work.” In May 2010, the publication called her its “Woman of the Century.”

When Robert Zoellick, president of the World Bank, offered Indrawati a position as one of its three managing directors, she accepted in part because of the new challenges involved. She also was intrigued by the idea of a woman from an Asian and predominantly Muslim country coming into an institution “dominated,” as she put it, “by Western thinkers and policymakers.”

The May 5, 2010, announcement of Indrawati's departure shook Indonesia's financial market, with Bloomberg reporting that the country's stocks fell the most in 17 months because of “concern [that] fiscal policies in Southeast Asia's biggest economy will be at risk after its finance minister resigned.”

‘The world is open to you’

On the job since June 2010, Indrawati said there's “no one-size-fits-all formula” for how to work with each country, but there are similarities.

“Public finance needs to be managed properly, whether you are from Latin America or the Middle

East, whether you are an advanced country, you are a middle-income country, you are a poor country,” she says. “Prudent policy, accountability ... the trick is more like you applying the same principles – the old, wise principles,” such as the adage “Spend within your means.”

Indrawati sees her role as translating the main goals of the World Bank – eliminating poverty and promoting sustained development – into the process of making and implementing financial decisions for the one-third of the world under her wing. The job, which includes overseeing volatile areas such as the Middle East, requires master diplomacy as she determines the places in which World Bank funding can do the most good.

The challenge, she says, is “how you can properly manage your public finances, how you can manage your natural resources, how you address the issue of climate change.” In addition, “investing in a human resource is very important. ... That means [developing] education, health, skills.”

Indrawati believes the ability of women to multi-task will be crucial in the new economy.

Women “usually decide to put the family first,” she says. “They will invest in their children, whether it's for education, for their food.” She points out that in middle-income countries, women who are working outside of the home and earning their own salaries are becoming a “real force.”

While Indrawati is speaking of women generally, it's clear she's thinking of her own success in the balancing act as well. Beyond her involvement with her job, her husband and three children, Indrawati cooks, exercises and paints. She is passionate about taking time to read, including novels and books on history and law. This year, her reading list included a book on how Islam came to Indonesia. “I am still studying about my own country,” she says.

“I will never actually stop and feel as though I've learned enough,” Indrawati says. “The more you try to learn and you read, the more you understand ... that the world is actually open to you with a lot of new challenges.”

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